MEDI-CAL UPDATE Part 2
Billing and Policy
www.medi-cal.ca.gov

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Contents

Federal Deficit Reduction Act of 2005 Requirements Implemented

Effective January 1, 2007, all new provider applicants and all providers subject to re-enrollment processing will be required to certify that they comply with Section 1902(a) of the Social Security Act.

On February 8, 2005, President Bush signed into law the Deficit Reduction Act (DRA), which requires specified changes to Medicaid (Medi-Cal in California) law. One of those changes is the requirement for employee education about false claims recovery. These changes go into effect on January 1, 2007.

This article contains information about both the state and federal law regarding this new requirement. This article also serves as the official notice of new federal requirements for Medi-Cal providers in California.

Federal Law

Section 6032 of the DRA requires any entities that receive or make annual payments under the State Plan (Medi-Cal in California) of at least $5 million, as a condition of receiving such payments, to have established written policies and procedures about the Federal and State False Claims Act for their employees, agents and contractors.

Specifically, Section 6032 amends the Social Security Act, Title 42, United States Code, Section 1396a(a), by inserting an additional relevant paragraph, (68). To summarize, this new paragraph mandates that any entity that receives or makes payments under the State Plan of at least $5 million annually, as a condition of receiving such payments, must comply with the following requirements:

1. Establish written policies for all employees of the entity, including management and any contractor(s) or agent(s) of the entity. These written policies shall provide detailed information about the following:
   - Federal False Claims Act, including administrative remedies for false claims and statements established under Title 31, USC, Chapter 38.
   - State laws pertaining to civil or criminal penalties for false claims and statements; whistleblower protections under such laws; and the role of these laws in preventing and detecting fraud, waste and abuse in Federal health care programs.
2. The written policies must include details about the entity's policies and procedures for detecting and preventing fraud, waste and abuse.
3. Any employee handbook for the entity must include specific discussion of the laws about false claims and statements; the rights of employees to be protected as whistleblowers; and the entity's policies and procedures for detecting and preventing fraud, waste and abuse.

2007 CPT-4/HCPCS Code Update Reminder

The 2007 updates to *Current Procedural Terminology – 4th Edition* (CPT-4) codes and *Healthcare Common Procedure Coding System* (HCPCS) Level II codes become effective for Medicare on January 1, 2007. The Medi-Cal program has not yet adopted the 2007 updates. Providers must not use the 2007 codes to bill for Medi-Cal services until notified to do so in a future *Medi-Cal Update*.

Chiropractic Bulletin 374

This *Medi-Cal Update* does not contain Part 2 Billing and Policy provider manual pages.